

**ADDENDUM TO
DEVELOPMENT AGREEMENT
(c2004-128)**

THIS ADDENDUM TO DEVELOPMENT AGREEMENT (the "Addendum"), is entered into as of this _____ day of _____, 2011 (the "Effective Date"), by and between ZARCALRES TEMPE, LLC ("Zaremba"), a Delaware limited liability company, CENTERPOINT LAND, LLC, an Arizona limited liability company ("Centerpoint Land"), and the CITY OF TEMPE, an Arizona municipal corporation ("City").

RECITALS

A. City and TEMPE LAND COMPANY, LLC ("TLC") were parties to that certain Development Agreement dated June 18, 2004 and recorded June 28, 2004 as Instrument No. 2004-0730290, Official Records of Maricopa County, Arizona, as amended by the First Amendment to Development Agreement dated June 16, 2005 and recorded July 25, 2005 as Document No. 2005-1041108 (the "First Amendment"), Official records of Maricopa County, Arizona, and the Second Amendment dated January 19, 2006 and recorded February 10, 2006 as Document No. 2006-0194908, Official records of Maricopa County, Arizona (the "Second Amendment") (the Development Agreement, the First Amendment and the Second Amendment are hereafter collectively referred to as the "Development Agreement"). (Capitalized terms used herein without definitions shall have the meanings given such terms in the Development Agreement, unless the context clearly indicates otherwise.)

B. Since the execution of the Development Agreement, Phase I, a 22-story tower consisting of 189 units, parking garage and retail space, and Phase II, a 30-story tower consisting of 186 units, were substantially completed. TLC subsequently filed for bankruptcy and the Property was sold to Zaremba.

C. Zaremba transferred to Centerpoint Land portions of the Property, more particularly described as Lot 2 and Lot 3 according to the plat recorded in Book 832, Page 18, in the records of the County Recorder of Maricopa County, Arizona (the "Centerpoint Land Property"), and retained the balance of the Property, which is more particularly described in the plat recorded in Book 975, Page 39, in the records of the County Recorder of Maricopa County, Arizona (the "Zaremba Property").

D. The parties desire to supplement the Development Agreement as hereafter stated.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth in this Addendum, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Recitals are true and correct and are incorporated herein by reference.

2. **Signage.** City and Zarembo hereby acknowledge that the distinctive location of the Zarembo Property, within the Downtown, and the visibility of Phase I and Phase II of the Project provides a unique opportunity for both City and Zarembo to establish the Zarembo Property as a high-profile residential housing development in the Downtown. As a result, the parties acknowledge and agree that appropriate signage will and should be an integral part of Phase I and Phase II of the Project and will be necessary to maintain high occupancy levels and attract first-class retail tenants. In connection therewith, City agrees to work with Zarembo on appropriate signage. Permitted signage for Phase I and Phase II of the Project shall include three (3) building-mounted signs not to exceed six hundred (600) square-feet in aggregate, with no building-mounted sign being greater than ten feet (10') in height, four (4) directional signs not to exceed eight (8) feet in height or twenty-four (24) square-feet per sign, two (2) multi-tenant monument signs not to exceed fifteen (15) feet in height or one hundred (100) square-feet per sign with no restriction on the number of tenants per sign, five (5) canopy-mounted retail signs not to exceed fifty (50) square-feet per sign and four (4) illuminated pole-mounted accent elements, not to exceed fifty (50) feet in height.

3. General Provisions.

3.1 **Arizona Law.** This Addendum shall be governed by, and construed in accordance with, the laws of the State of Arizona.

3.2 **Binding Effect.** This Addendum shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs and assigns.

3.3 **Counterparts.** This Addendum may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, but all of which shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to Development Agreement as of the date set forth above.

ZAREMBA:

ZARCALRES TEMPE, LLC, a Delaware limited liability company

By: ZarCalRes, LLC, a Delaware limited liability company, its Manager

By: Zaremba Multifamily, LLC, a Delaware limited liability company, its Manager

By: _____

Printed Name: _____

Its: _____

STATE OF)
) ss.
County of)

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by _____, the _____ of Zaremba Multifamily, LLC, a Delaware limited liability company, Manager of ZarCalRes, LLC, a Delaware limited liability company, Manager of ZarCalRes Tempe, LLC, a Delaware limited liability company, on behalf of the limited liability company.

Notary Public

(Seal)

CENTERPOINT LAND:

CENTERPOINT LAND, LLC, an Arizona limited liability company

By: _____
Its: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by _____, the _____ of Centerpoint Land, LLC, an Arizona limited liability company, for and on behalf thereof.

Notary Public

My Commission Expires:

ATTEST:

CITY OF TEMPE,
an Arizona municipal corporation

City Clerk

By: _____
Hugh L. Hallman, Mayor

APPROVED AS TO FORM:

City Attorney

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by Hugh L. Hallman, the Mayor of the CITY OF TEMPE, an Arizona municipal corporation, for and on behalf thereof.

Notary Public

My Commission Expires:
